

In the 21st Century, the Healthcare Units (HCUs) have begun to see drastic changes that are so rapid, so complex, so turbulent, and so unpredictable. This has resulted in an Evolution of Competition in the Health Care Market. Customer Service and better patient care is the order of the day. There is a shift from 'Getting you well' to 'Treating you well - generating satisfied customer'. The costs of patient care and treatment have increased drastically. Medical Insurance coverage and corporate medical reimbursements is spreading its net wider. Hospitals and Healthcare Units are reducing the costs and offering better services at affordable cost to the patient. Now the insurers have instituted programs designed to reduce their payment for medical expenses: preauthorised admission, mandatory second opinions, and lower treatment cost substitute. There has been a shift from 'Not-for-profit' and 'free-for-service' organisation to be a 'profit-making' organisation and not to be a 'loss-making' organisation. Under the circumstances today's HCUs need to operate efficiently, requires: Marketing of their HCU, Profitable Business Plan, and better Physician-HCU relationship.

Physician-Healthcare Unit Relationship

In a Polyclinic set up, Physicians / Doctors are not formal employees of the Health Care Unit (HCU) Clinic; these clinics, therefore, do not have a formal chain of command (or basic authority) over Physician's behaviour. However they permit Physicians to treat or carry out diagnostic work and use their available infrastructure resources for such treatments. This relationship is symbiotic, in that the HCU depend upon Physicians to get their patients, whereas Physicians rely on HCU for the infrastructure resources necessary to deliver Patient Care. The Physicians may be able to take advantage of HCU administrators through asymmetric information - for example, Physicians know what type of services are necessary for effective medical treatment that HCU administrators may not know. A memorandum of understanding towards services between the Physicians and Healthcare Administration needs to be documented.

Business & Financial Plan

The decisions that are made day in and day out are the primary drivers of financial performance. The Financial plan is the backbone of the financially capable healthcare organization. A formulated and written Financial Plan and Goals needs to be fully understood by the Administrator as well as all the stakeholders. The Administration needs to measure the Financial Plan performance on a monthly, quarterly and annual basis. **What gets measured gets done.** The income should balance out considering short term (utilities, taxes, staffing) and long-term expenses (building repairs, painting, expansion, etc.,). The plan has to be periodically reviewed considering external changes (Environment changes, Government legislation, competition and the like), and balance its resources. The Business and Financial plan has to be documented carefully. **If you can't write it down, you can't do it.** If the overall plan is unstable, no amount of creative transaction structuring can overcome such a fundamental flaw.

Marketing of Healthcare Unit

With growing competition in healthcare industry, changes in social pattern (dieting, exercise and health consciousness), Government programs (improved Hygiene & Sanitation, eradication programs, immunization), Advanced Technology diagnostic equipment, Preferred HCUs by Insurance companies, the need for marketing healthcare has become essential. There are external factors such as location of the clinic; traffic congestion and ease of parking play a vital role. The ambiance, service and allied amenities available to patient / customer have a great impact on healthcare business. The cost towards Marketing in a healthcare set up is high.

Administrators Role

Role of a HCU Administrator is to manage the establishment assets and run the HCU profitably, and in a manner which provides value to the Patient and to the Physicians / Doctors. He needs to understand and /or jointly formulate Business & Financial Plan, and to monitor and report this to the Chief Executive and other stakeholders. He needs to have complete knowledge about Legal agreements and memorandum of understanding reached between Physicians and HCU, from time to time. Administrator needs to draw support from establishment's infrastructure comprising of Finance, Accounts, and Legal, and Maintenance departments.

References:

1. 'Strategic Management of Health Care Organizations': by, W. J. Duncan, P. M. Ginter and L.E. Swayne
2. 'Handbook of Health Care Management': by, W. J. Duncan, Peter. M. Ginter and Linda.E. Swayne
3. 'The Financially Competitive Healthcare Organization': by, Kenneth Kaufman & Mark Hall